

The Biggest Mistake Sellers Make

It's easy to lose perspective when you put your house on the market. Instead of taking an objective look at your property and deciding what it's worth to a buyer, you think about what it's worth to you. And that subjectivity often leads to overpricing your home.

Recent studies by the Journal of Housing Economics and Quicken Loans confirm that there's a considerable—and widening—gap between the values that appraisers and homeowners assign to properties. Why is there such a disparity? Here are six mistakes sellers make when pricing their homes.

They're emotionally attached

It's OK to treasure the memories created in a home, but that value doesn't translate to potential buyers. To them, the house is a blank slate.

They're using old data

Sellers who bought a home during a hot seller's market may have paid more than their house is currently worth. Pricing homes is about the current market, not the past.

They purchased after a housing-market downturn

Everyone wants to think they got the best deal possible. And some sellers who purchased property after prices fell may believe they bought at the absolute bottom of the market and that their home is worth considerably more now. That's not necessarily the case.

They're trying to recoup the cost of improvements

Investing \$25,000 in a kitchen upgrade may not add \$25,000 to the value of a home. Though some projects can return as much as they cost or more, most projects return less than the full amount of the investment.

They need to pay for their next house

Whether moving up or downsizing, a seller's home is worth the same. Also, the value of the home doesn't change whether the mortgage is paid off or if the sellers still owe most of the balance of the loan. In other words, the sellers' financial situation isn't relevant to a buyer.

They listened to the wrong website

Unless a website is affiliated with a REALTOR®, there's no telling how accurate the site's property valuation is. Some websites are off by 20% or more. The best way to avoid overpricing your home is to contact a San Antonio area REALTOR®. He or she will know your market and will use accurate, reliable data to price your property correctly. Your Realtor will look at comparable sales, the condition of your home, how much properties in your neighborhood have appreciated over time, and other relevant factors.